By: Watson S.B. No. 2015

Substitute the following for S.B. No. 2015:

By: Pickett C.S.S.B. No. 2015

## A BILL TO BE ENTITLED

1 AN ACT

- 2 relating to certain metropolitan rapid transit authorities.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 4 SECTION 1. Section 451.061, Transportation Code, is amended
- 5 by amending Subsection (d) and adding Subsection (d-1) to read as
- 6 follows:
- 7 (d) Except as provided by Subsection (d-1), the [The] fares,
- 8 tolls, charges, rents, and other compensation established by an
- 9 authority in which the principal municipality has a population of
- 10 less than 1.2 million may not take effect until approved by a
- 11 majority vote of a committee composed of:
- 12 (1) five members of the governing body of the
- 13 principal municipality, selected by that governing body;
- 14 (2) three members of the commissioners court of the
- 15 county having the largest portion of the incorporated territory of
- 16 the principal municipality, selected by that commissioners court;
- 17 and
- 18 (3) three mayors of municipalities, other than the
- 19 principal municipality, located in the authority, selected by:
- 20 (A) the mayors of all the municipalities, except
- 21 the principal municipality, located in the authority; or
- 22 (B) the mayor of the most populous municipality,
- 23 other than the principal municipality, in the case of an authority
- 24 in which the principal municipality has a population of less than

- 1 300,000.
- 2 (d-1) The establishment of or a change to fares, tolls,
- 3 charges, rents, and other compensation by an authority confirmed
- 4 before July 1, 1985, in which the principal municipality has a
- 5 population of less than 750,000, takes effect immediately on
- 6 approval by a majority vote of the board, except that the
- 7 establishment of or a change to a single-ride base fare takes effect
- 8 on the 60th day after the date the board approves the fare or change
- 9 to the fare, unless the policy board of the metropolitan planning
- 10 organization that serves the area of the authority disapproves the
- 11 fare or change to the fare by a majority vote.
- 12 SECTION 2. Section 451.071, Transportation Code, is amended
- 13 by adding Subsections (b-1) and (g) to read as follows:
- 14 (b-1) The ballot may not permit the fixed rail transit
- 15 system, or a proposal to expand a system, and the method of funding
- 16 for the system or expansion of the system to be voted on as separate
- 17 options. All fixed rail transit systems, proposals to expand a
- 18 system, and methods of funding included on a ballot must be approved
- 19 or rejected as a group.
- 20 (g) This section does not require the authority to hold a
- 21 referendum on a proposal to:
- 22 (1) enter into a contract to build, operate, or
- 23 maintain a fixed rail transit system for another entity;
- 24 (2) expand a system previously approved under this
- 25 section if the proposed expansion involves the addition of not more
- 26 than one mile of track to the system; or
- 27 (3) enter into an interlocal agreement to build,

- 1 operate, or maintain a system previously approved under this
- 2 section.
- 3 SECTION 3. Subchapter J, Chapter 451, Transportation Code,
- 4 is amended by adding Sections 451.458, 451.459, and 451.460 to read
- 5 as follows:
- 6 Sec. 451.458. INTERNAL AUDITOR. (a) This section applies
- 7 only to an authority confirmed before July 1, 1985, in which the
- 8 principal municipality has a population of less than 750,000.
- 9 (b) The board shall enter into a contract with a qualified
- 10 <u>individual to perform internal auditing services as specified in</u>
- 11 the contract. A contract entered into under this section may be
- 12 renewed for subsequent fiscal years of the authority but may not be
- 13 renewed for more than three consecutive fiscal years.
- 14 (c) The contract must require the auditor to report directly
- 15 to the board.
- Sec. 451.459. SUNSET REVIEW. (a) An authority confirmed
- 17 before July 1, 1985, in which the principal municipality has a
- 18 population of less than 750,000 is subject to review under Chapter
- 19 325, Government Code (Texas Sunset Act), as if it were a state
- 20 agency but may not be abolished under that chapter. The review
- 21 shall be conducted as if the authority were scheduled to be
- 22 abolished September 1, 2011. In addition, another review shall be
- 23 conducted as if the authority were scheduled to be abolished
- 24 September 1, 2016. The reviews conducted under this section must
- 25 <u>include an assessment of the governance, management, and operating</u>
- 26 structure of the authority and the authority's compliance with the
- 27 duties and requirements placed on it by the legislature.

- 1 (b) The authority shall pay the cost incurred by the Sunset
- 2 Advisory Commission in performing a review of the authority under
- 3 this section. The Sunset Advisory Commission shall determine the
- 4 cost, and the authority shall pay the amount promptly on receipt of
- 5 a statement from the Sunset Advisory Commission detailing the cost.
- 6 Sec. 451.460. REPORT TO PRINCIPAL MUNICIPALITY. (a) This
- 7 section applies only to an authority confirmed before July 1, 1985,
- 8 in which the principal municipality has a population of less than
- 9 750,000.
- 10 (b) The authority annually shall provide a report to each
- 11 governing body of a municipality or county in the authority
- 12 regarding the status of any financial obligation of the authority
- 13 to the municipality.
- 14 SECTION 4. Section 451.5021, Transportation Code, is
- 15 amended by amending Subsections (a), (b), and (d) and adding
- 16 Subsections (b-1), (d-1), (d-2), and (d-3) to read as follows:
- 17 (a) This section applies only to the board of an authority
- 18 created before July 1, 1985, in which the principal municipality
- 19 has a population of less than 750,000 [in which each member of the
- 20 governing body of the principal municipality is elected at large].
- 21 (b) <u>Members of the</u> [<del>The</del>] board [<del>is composed of seven members</del>
- 22 who] are appointed as follows:
- 23 (1) one member, who is an elected official, [two
- 24 members representing the general public] appointed by the
- 25 metropolitan planning organization designated by the governor that
- 26 serves the area of the authority;
- 27 (2) one member, who is an elected official, [two

```
C.S.S.B. No. 2015
```

- 1 members appointed by the governing body of the principal
- 2 municipality;
- 3 (3) one member jointly appointed by:
- 4 (A) the governing body of the principal
- 5 municipality; and
- 6 <u>(B)</u> the commissioners court of the principal
- 7 county;
- 8 (4) one member jointly appointed by:
- 9 <u>(A) the governing body of the</u> principal
- 10 municipality; and
- 11 (B) the commissioners court of the county,
- 12 excluding the principal county, that has the largest population of
- 13 the counties in the authority [a panel composed of the mayors of all
- 14 the municipalities in the authority located in the principal county
- 15 of the authority, excluding the mayor of the principal
- 16 municipality]; [and]
- 17 (5) one member, who is an elected official, appointed
- 18 by a panel composed of:
- 19 (A) the mayors of all municipalities in the
- 20 authority [located outside the principal county of the authority],
- 21 excluding the mayor of the principal municipality; and
- 22 (B) the county judges of the counties having
- 23 unincorporated area in the authority;
- 24 (6) one member, who has at least 10 years of experience
- 25 as a financial or accounting professional, appointed by the
- 26 metropolitan planning organization that serves the area in which
- 27 the authority is located;

```
(7) one member, who has at least 10 years of experience
 1
   in an executive-level position in a public or private organization,
 2
   including a governmental entity, appointed by the metropolitan
 3
   planning authority that serves the area in which the authority is
 4
 5
   located; and
 6
               (8) two members appointed by the metropolitan planning
   organization that serves the area in which the authority is
 7
 8
    located, if according to the most recent federal decennial census
   more than 35 percent of the population in the territory of the
 9
   authority resides outside the principal municipality[, excluding
10
   the county judge of the principal county; and
11
                     [(C) the presiding officer of each municipal
12
13
   utility district that:
14
                          [<del>(i) has a majority of its</del>
15
   located outside the principal county; and
16
                          [(ii) is located wholly or partly
17
   authority].
          (b-1) Members of the board serve staggered three-year
18
19
   terms, with the terms of two or three members, as applicable,
   expiring June 1 of each year.
20
21
          (d) A person appointed under Subsection (b)(1), (2)
    [\frac{(b)(2), (3), (4)}{}], or (5):
22
               (1) must be a member of the governing body:
23
24
                         of the political subdivision that is entitled
25
   to make the appointment; or
                     (B) over which a member of the panel entitled to
26
```

27

make an appointment presides;

1	(2) vacates the office of board member if the person
2	ceases to be a member of the governing body described by Subdivision
3	(1);
4	(3) serves on the board as an additional duty of the
5	office held on the governing body described by Subdivision (1); and
6	(4) is not entitled to compensation for serving as a
7	member of the board.
8	(d-1) At least two members appointed under Subsections
9	(b)(1), (6), and (7) must be qualified voters residing in the
10	principal municipality.
11	(d-2) A person appointed under Subsection (b)(3) must:
12	(1) have the person's principal place of occupation or
13	<pre>employment in:</pre>
14	(A) the principal municipality; or
15	(B) the portion of the authority's service area
16	that is located in the principal county; or
17	(2) be a qualified voter of:
18	(A) the principal municipality; or
19	(B) the portion of the authority's service area
20	that is located in the principal county.
21	(d-3) A person appointed under Subsection (b)(4) must:
22	(1) have the person's principal place of occupation or
23	<pre>employment in:</pre>
24	(A) the principal municipality; or
25	(B) the portion of the authority's service area
26	that is located in the county, other than the principal county, that
27	has the largest nonulation of the counties in the authority. or

- 1 (2) be a qualified voter of:
- 2 (A) the principal municipality; or
- 3 (B) the portion of the authority's service area
- 4 that is located in the county, other than the principal county, that
- 5 has the largest population of the counties in the authority.
- 6 SECTION 5. Subsections (g) and (h), Section 451.5021,
- 7 Transportation Code, are repealed.
- 8 SECTION 6. (a) This section applies only to a member of the
- 9 board of a rapid transit authority confirmed before July 1, 1985, in
- 10 which the principal municipality has a population of 750,000 or
- 11 less.
- 12 (b) The term of a board member that is scheduled, under the
- 13 law as it existed before the effective date of this Act, to expire:
- 14 (1) after the effective date of this Act but before
- 15 January 1, 2010, is extended to December 31, 2009; and
- 16 (2) on or after January 1, 2010, expires June 1, 2010.
- 17 (c) As soon as practicable on or after the effective date of
- 18 this Act, but not later than December 31, 2009, the persons and
- 19 entities specified in Section 451.5021, Transportation Code, as
- 20 amended by this Act, shall appoint the members of the board in
- 21 compliance with that section, as amended, to serve terms that begin
- 22 January 1, 2010, or June 2, 2010, as applicable.
- 23 (d) A vacancy created because of the expiration of a term
- 24 under Subsection (a) of this section is filled in the manner
- 25 provided by Subsection (c) of this section.
- (e) The members of the board appointed under Subsection (c)
- 27 of this section shall draw lots to determine which terms of three

C.S.S.B. No. 2015

- 1 members expire June 1, 2011, which terms of three members expire
- $\,$  June 1, 2012, and which terms of three members expire June 1, 2013.
- 3 SECTION 7. This Act takes effect September 1, 2009.